

Licensing Reciprocity Ends February 29; Replaced with New Exam Requirements

Current reciprocal licensing arrangements between North Carolina and all other states with which such arrangements are currently in place will end February 29, 2012. Those reciprocal states are: Arkansas, Connecticut, Georgia, Iowa, Louisiana, Mississippi, Nebraska, South Carolina, Tennessee and West Virginia.

The current approach to reciprocal licensing arrangements allows resident licensees of one reciprocal state to obtain a license in another reciprocal state without taking any prelicensing education or license examination. Thus, applicants for a North Carolina license by reciprocity currently do not have to demonstrate any knowledge of North Carolina real estate laws and practices. Also, applicants for a North Carolina license by reciprocity presently must be a resident of the reciprocal state or must not have resided in North Carolina for more than 90 days before applying for a reciprocal license.

New Approach

Beginning March 1, 2012, any person applying for a license in North Carolina based on current licensure in another state, U.S. territory or possession or a Canadian province, regardless of their place of residency, will not have to take the North Carolina prelicensing course or the “National” section of the North Carolina license examination; however, all such applicants will have to pass the “State” section of the North Carolina license examination.

This new approach might be described as a “limited license recognition” approach – it recognizes completion of prelicensing education and passing the “National” section of a license examination in another jurisdiction, but does not fully exempt the entire North Carolina license examination requirement. By requiring the applicant to pass the “State” section of the North Carolina license examination, the new approach provides some assurance that the applicant has a basic knowledge of North Carolina real estate laws and practices.

Additionally, rather than North Carolina having full license reciprocity with only a small number of states, (currently 10), the new approach allows licensees of any other state, U.S. territory or possession or Canadian province to obtain a North Carolina license by passing only the “State” section of the license examination. Moreover, the place of residence of the applicant is not an issue under this approach.

Beginning March 1, 2012, persons licensed in another jurisdiction must pass the “State” section of the North Carolina license examination to qualify for a North Carolina license.

Like the licensing agencies of several other states that have moved from a reciprocity approach in recent years to the “limited license recognition” approach described above, the Commission determined that this approach would better protect the interests of North Carolina consumers. Consequently, the Commission obtained from the 2011 General Assembly the authority to adopt a new system of licensing persons based on their licensure in another jurisdiction and adopted rules to implement the system described in this article. Additionally, the Commission decided to change its license examination from a one-part examination to a two-part examination, also effective March 1, 2012, in part to facilitate this change in licensing standards for applicants licensed in other jurisdictions. [See the article on “License Examination Changes” on page 1 of this *Bulletin*.]

Effect on Current Reciprocal Licensees

North Carolina licensees who obtained their licenses by reciprocity may retain those licenses indefinitely by keeping the North Carolina license current (i.e., properly renewed each year) and meeting the continuing education requirement (waived if the licensee maintains an active license in the reciprocal state). However, if such a licensee allows his/her license to expire for more than six months or the license is suspended, revoked or surrendered, the former reciprocal licensee must satisfy the new requirements in order to reinstate such license.

If you currently hold a North Carolina license issued by reciprocity, you may retain that license indefinitely by properly renewing the license each year and remaining on “active” status in your resident state.

Applicants for a North Carolina License under a Current Reciprocal Arrangement

Persons wanting to apply for a North Carolina license under a current reciprocal licensing arrangement must file a *100% complete and correct application that is received in the Commission office not later than February 29, 2012*. NO EXCEPTIONS can be made! Interested persons are strongly encouraged to file their application at the earliest possible date, preferably by February 15.

North Carolina Licensee Applying for a Reciprocal License in Another State

No currently reciprocal state has advised the Commission that it will terminate reciprocal licensing prior to February 29, 2012; however, these states are not bound to continue reciprocal licensing until that date. A North Carolina resident licensee who wants to obtain a license in another state under a current reciprocal licensing arrangement should *immediately contact the appropriate state licensing agency and comply with its requirements*. The licensing agency telephone numbers for the currently reciprocal states are shown below.

Arkansas Real Estate Commission
(501) 683-8020

West Virginia Real Estate Commission
(304) 558-3555

Connecticut Department of Consumer Protection
Trade Practices Division
(860) 713-6150

Georgia Real Estate Commission
(404) 656-3916

Iowa Real Estate Commission
(515) 281-7393

Louisiana Real Estate Commission
(225) 925-1923

Mississippi Real Estate Commission
(601) 932-6770

Nebraska Real Estate Commission
(402) 471-2004

South Carolina Department of Labor,
Licensing & Regulation*
Real Estate Commission
(803) 896-4400

Tennessee Real Estate Commission
(615) 741-2273

***NOTE:** The South Carolina Real Estate Commission has advised that, beginning March 1, 2012, it will require North Carolina licensees to take the appropriate South Carolina “state” license examination section.